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MEMORANDUM FOR THE RECORD

SUBJECT: Questions discussed at the Hearings of the House Committee on Appropriations, Held on Monday, 27 February 1956, from 1:30 to 4:50 p.m.

The following members of the Committee were present at the above hearings:

Mr. Clarence Cannon (D) Missouri
Mr. George H. Mahon (D) Texas
Mr. Harry R. Sheppard (D) California
Mr. John Taber (R) New York
Mr. Richard B. Wigglesworth (R) Massachusetts
Mr. Corbal D. Greacen, Clerk

The following representatives of CIA were present:

Mr. Allen W. Dulles, DCI
Gen. Charles P. Cabell, DDCI
Col. L. K. White, DD/S
Mr. Robert Amory, Jr., DD/I
Mr. Richard Helms, ADD/P
Mr. E. H. Saunders, Comptroller
Mr. Norman S. Paul, Legislative Counsel
Mr. C. H. Mason, Chief, Budget Division

The hearings started with a general discussion on the proposed CIA building.

Mr. Mahon:

Has there been any change in CIA plans for the headquarters building?

Mr. Cannon:

Is it a good idea to have so much publicity about CIA plans for a building? (The necessity of submitting a supplemental appropriation was discussed and it was indicated that a supplemental was contemplated in the amount of $49 million, $43 million for the building and $6 million for the extension of the George Washington Parkway. It was also stated that detailed plans could not be developed until an announcement of the location had been made and that such announcement would not be made until the National Capital Planning Commission report was rendered. It was further indicated that we hope to submit the supplemental appropriation to them by not later than 1 May 1956.)

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We have been disappointed that CIA has not been able to advise us in advance of such important happenings as the outbreak of hostilities in Korea and other similar cases. We hope that in the future CIA will be able to provide us with advance warning of important developments such as these. (There followed a discussion of the developments in CIA and the Watch Committee mechanism. A short description followed of the estimates of intentions of the Chinese prior to their closing of the Yalu River. The general importance given to the work on indications was also discussed.)

It is noted that there is an increase in the estimates for Fiscal Year 1957 as compared to the funds available during the Fiscal Year 1956. What is the cause of this increase?

In other words, there isn't much difference in the level or character of your program for the FY 1957 than in FY 1956. (A discussion followed concerning the basic change in the program and the emphasis of technological collection of intelligence.)

I don't presume there has ever been a time when it was so difficult to obtain information about a country as has been the case in the last 10 to 15 years from the USSR. (Discussed general problems with special emphasis on the atomic field, guided missiles, and security measures within the USSR.)

Are you able to supply information concerning the progress of the USSR in nuclear weapons as compared to our progress?

Are you in a position to give a relative size of their nuclear stockpile as compared to the nuclear stockpile of the U.S.? Are you in a position to estimate when they will achieve the goal at which they are aiming? That is, will they be able to achieve superiority in the general field of nuclear missiles and the capacity to deliver such missiles?

Do you anticipate any new activities or programs in the Fiscal Years 1957, 1958 or 1959 which haven't been supported by the Committee during the Fiscal Years 1955 and 1956? (Discussed the means of collecting intelligence and the changing pattern of collection of intelligence through technical means. Also, discussed the reduction of [redacted] and the general change in the pattern of the Agency program without any major change in the basic fundamentals of that program.) 25X1

Have you had sufficient funds to carry out the functions of CIA effectively? If you had had more money, could you have kept the Russians from stealing technical information from the U.S.? (The responsibilities of CIA as compared to those of the FBI and the Armed Services was discussed briefly. The importance and use of the reserve was also mentioned.)

Have you tried to infiltrate Soviet scientific and technical installations?

(In referring to Chart 2) Are costs of administering CIA included in each section of this chart?

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Would you say your organization is more efficient and effective than it was a year ago?

(The loss of particularly effective personnel and the inability to recruit certain personnel in key positions because of salary levels was discussed by the DCI.) If you had had more money and could pay better salaries, could you obtain and hold better people?

Except in the area of personnel, what are your major problems in obtaining better results?

[redacted] 25X1

The U.S. has provided substantial amounts of aid money and sent many missionaries and others into Burma to assist that country. Why is the U.S. losing stature in Burma in view of all of this aid that has been given them?

Two years ago you showed pictures of a Soviet plane. Was it a Bison? Is the Bison as good and effective as the B-52? How close have your agents been to the Bison? How many times have you seen it? What is the basis of your evaluation of the Bison's capabilities?

Has the USSR developed a 1,500-mile guided missile? How have you determined the range of these missiles? What is the Soviet potential in this field?

What does your SOVMAT Staff do? How does the Staff function?

In what respects does the U.S. intelligence system differ from the British intelligence system? How does the U.S. intelligence system compare with the British services in regards to efficiency, effectiveness, and scope?

Looking back over the past year, do you feel that you had all the money you could have used effectively except for higher salaries? Why don't you exercise the authority you have to pay higher salaries in order to strengthen the Agency? (The Chairman canvassed the members of the Committee and it was the consensus that paying higher salaries to key people would be entirely justified. Further, the opinion was expressed that absolutely no publicity should be given to such action but that the policy should be cleared with the Senate Appropriations Committee as well as the House and Senate Armed Services Committees.)

Mr. Taber:

About how much would you pay some of these top key officials? How much money would it take to increase the salaries that you have in mind?

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Mr. Mahon:

If by using that much money you would increase the efficiency of the organization, you should certainly exercise the authority you have.

Mr. Cannon:

After consulting with your staff along the lines you mentioned, I would like to know what your decision is in this matter.

Mr. Mahon:

One member of Congress, after a junket overseas, stated that CIA has [redacted] and that the Agency's people are falling over each other. How can you use the number of employees you have on your staff? (The Personnel Chart was used at this point.) 25X1

How does the size of CIA compare with that of its British counterpart?

(In referring to the chart of the number of employees on duty in 1952) Did you have too many employees on duty back there?

Can't representatives of all of the interested agencies within the Government get together and establish a single position on guided missiles which would represent the viewpoint of the Executive Branch rather than having so many different views expressed? I have heard many bits of testimony that the USSR is ahead of U.S. in the intermediate and long-range guided missile field. Why doesn't the Executive Branch establish the best evaluated information in this field and then get representatives of the Senate (Senators Jackson and Symington were mentioned) and the House who are concerned with these problems together and brief them on the whole situation, based upon such evaluated intelligence? What is your evaluation of the USSR developments in the guided missile field as compared to the U.S. developments? (Mr. Mahon took a rather strong position that CIA should have an opinion as to the comparison of effectiveness of Soviet developments as compared to U.S. developments. This was followed by a discussion of CIA responsibilities within the Executive Branch as compared to those of the personal opinion of individuals in CIA.) Why can't the Executive Branch and Congress get together on this and resolve all the differences which have been expressed in hearings on the floor and in other places? (Mr. Mahon referred to an appearance of Senator Jackson on a television program on the preceding day to illustrate the need of such an agreement.)

We are on the threshold of atomic plenty. What does this mean to this Country? As the availability of nuclear materials increases, will it mean war?

The general situation between the East and West seems to be getting worse and worse by the day. What is your evaluation of our position?

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Are the Soviets getting stronger and is our relative relationship to the Soviets weakening?

Is the Executive Branch laying the ground-work for a public announcement that the USSR is ahead of the U.S. in the guided missile field?

Why does the Government always under-estimate Soviet abilities? Do you agree that under a totalitarian system you can control and develop science and industry more effectively? (There followed a discussion of the differences in the training of scientists in a democracy as compared to a totalitarian power; the difference between the standing of professors in a totalitarian system such as the Soviet, as compared to that of the U.S., and a wide variety of related problems concerning the number and qualification of individuals going into scientific fields.)

What has CIA done in the Cold War during the past year? (Discussed [redacted] Vietnam, Indonesia, Formosa.) 25X1

What do your agents tell you about the situation on Formosa? How about the morale of the Nationalist Army? Are the families of most of the soldiers on Formosa? Are there any younger men being recruited into the Nationalist Army? Are you getting any intelligence out of Peking?

Mr. Cannon:

Is the Chinese Red Army the second largest in the world?

Mr. Mahon:

On whose side is Yugoslavia? What is the nature of the Yugoslavian position in relation to the USSR and to the U.S.?

There is a great deal of talk of a change in the USSR tactics. During the Twentieth Congress of the Communist Party of the Soviet Union recently held in Moscow the tactics followed by Stalin were being discredited and they are cutting Stalin down to size. What do you make of this?

We used to be a hardy group of people but are becoming more used to leisure and to a soft way of living. Are the Soviets taking the same direction? Will the Communist danger disappear within the next 50 years as a result of this process? (A discussion followed concerning the reduction in hours of work in factories in the U.S. in the last twenty years and that somewhat similar reductions are now being proposed in the USSR.)

What do your research people tell you about the industrial growth in the Soviet?

Mr. Cannon:

Have you been obtaining samples of USSR machine tools?

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Mr. Mahon:

What is the quality of USSR machine tools?

Mr. Cannon:

How much steel is being produced in the Soviet Union? Will the USSR be able to overtake the U.S. in the production of steel?

What about the Soviet production in oil?

(After referring to the character of roads in Russia.) What about the report that the USSR is training its Army to operate on concrete highways? Have you any evaluation of these reports?

Mr. Mahon:

What does your intelligence reveal as to the loyalty of France and Italy to the West?

Mr. Cannon:

We have rescued the French twice. Why is it necessary to help Greece, Indonesia and France now?

(The internal political system of both Italy and France was discussed.) Is there any prospect that either Italy or France will change their basic political system in order to stabilize and strengthen their governments?

Mr. Wigglesworth:

Isn't it true that many members of the Communist Party in France are not real hard-core Communists? Isn't it true that many of the Communists in France probably are not fully aware of the basic character of that Party and its intent?

Mr. Mahon:

How about the Communist activities in Spain?

There has been a great deal of question concerning CIA and many Congressmen have the impression that no Congressional Committee is knowledgeable of CIA activities. The hearing today, however, has not gone into the CIA budget and it is believed that further hearings should be held to discuss the CIA budget in somewhat greater detail.

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Mr. Sheppard:

Are most of the conclusions included in evaluated intelligence based on data obtained from external sources rather than internal sources in Russia? Is it as difficult to obtain data from within Russia as it was a year ago, in view of the increased travel permitted?

How much information on nuclear programs and guided missiles has been obtained from within Russia, excluding that obtained through scientific or technological means?

What positions did the German scientists have in the Soviet program? How valid is the information which you have obtained from these repatriated scientists?

How much effective information has been obtained from double-agents?

Is our knowledge of the Soviet guided missile program mostly hypothetical? What techniques have we used in establishing their progress in the guided missile programs?

What do you know about the build-up of the Russian Navy? Why is it that the build-up is so much greater than was estimated two years ago? Are the current estimates of the USSR strength in submarines accurate?

Mr. Mahon:

Did CIA have any part in determining the number of Soviet submarines [redacted] 25X1

Mr. Cannon:

How many Soviet submarines are of the modern Snorkel type?

Mr. Sheppard:

Is your data on ship building, including the building of submarines, better than your data on the construction of aircraft? Which do you consider the better type of intelligence, the type gathered on ship-building or on aircraft? (A discussion followed concerning the relative problems of gathering intelligence on naval construction as compared to aircraft construction and guided missile developments. A comparison of location and techniques in the gathering of information in these fields was discussed.)

Mr. Taber:

What can you tell us of the possibility of an imminent Chinese attack on Formosa?

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Is there any evidence that the Chinese have made up their minds as to whether to attack the off-shore islands?

Are there any developments in the Near East which would indicate an imminent danger to CIA employees?

Mr. Wigglesworth:

[redacted] 25X1

Other questions I may have can be covered in the subsequent hearing.

Mr. Cannon:

Mr. Cannon closed the session by stating that further hearings would be held in about a week.

At the request of the Director, Messrs. Cannon & Taber met with him and Gen. Cabell for a short briefing primarily on [redacted] 25X1 KLIEK operations. The Director indicated that he wished to talk to the two senior members of the Committee privately because of the sensitivity of the subject and that they could then decide whether it was necessary to inform the other members of the Committee of the subject matter. This meeting was held immediately following the regular hearings.

Subsequent to the close of the hearings, the probable times was discussed with Mr. Orescan who indicated that there had been no plans made for subsequent hearings. Mr. Orescan further stated that the subcommittees had a full schedule of hearings arranged and that it would be necessary to schedule the subsequent hearing later and that this might involve the changing of some of their regularly scheduled hearings.

[redacted] 25X1

C. H. MASON
Chief, Budget Division

BD/COMPT/CHM/har:sel

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